Code 8701147 Rev. 9-91

JAN 9 1992

MEMORANDUM

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FILE TITLE

ADDITIONS AND BETTERMENTS
INTERMOUNTAIN GENERATING STATION (IGS)
PROJECT FILE NO. IGS 91-3

BURNER MODIFICATIONS AND REPLACEMENTS ON UNITS 1 AND 2

Your memorandums dated September 16, and October 24, 1991 authorized the Mechanical Engineering Section to proceed with issuing a Change Order to Babcock and Wilcox (B&W) for the material procurement and fabrication of 48 modified burners for Unit 1 only.

Per our request, B&W, with their letter of December 6, 1991, forwarded their quotation for the removal and replacement of the Units 1 and 2 burners during the respective Spring and Fall 1992 outages. Attached is a copy of B&W's quotation.

We have reviewed B&W's quotation and find it reasonable and acceptable. At this time, we request authorization to proceed with issuing a Change Order to B&W for the removal and replacement of the Unit 1 burners only during the Spring 1992 outage. Please be reminded that the funds for this work are budgeted as IGS 91-3 and will be paid by the Intermountain Power Agency directly under the Steam Generator Contract No. 2010N.

This authorization is requested by January 15, 1992 in order for us to issue a Change Order in time and meet the Unit 1 Spring Outage date.

If you have any questions or if further information is required, please contact me or have your staff contact Mr. Raffi K. Krikorian on extension 4673.

RKK: tabd

Attachment

c: w/Attachment

C. L. DeVore

B. H. Fujikawa

J. W. Scofield

D. W. Fowler

R. K. Krikorian

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Joel W. Scofield 470

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a McDermott company

20 S. Van Buren Avenue P.O. Box 351 Barberton, OH 44203-0351 (216) 753-4511

December 6, 1991

Department of Water & Power City of Los Angeles 111 N. Hope street Los Angeles, CA 90051

Attn: Mr. J.W. Scofield

Re: Intermountain Power Project

B&W Ref: RB-614/615

Subject: Burner Installation

Dear Mr. Scofield:

In response to our recent discussion with R.K. Krikorian, B&W (BWCC) is pleased to quote removal and replacement of 48 burners each on IPP Units 1 and 2. Our scope of work would include removal/replacement of interferences to facilitate burner handling, except that removal/replacement of any electrical will be by IPP and is not included.

Mobilization of the site would occur two weeks prior to the outage start. We estimate a total of 30 working days will be required, based on working six-ten hour work days per week, double shift throughout the outage.

IPP would issue a Field Instruction (FI) to the Babcock & Wilcox Construction Company (BWCC) to authorize this work. Reimbursement to BWCC will be per the contract extra work clause with the following exceptions and clarifications:

Overhead mark-up @ 9% of labor cost Profit mark-up @ 6% of labor cost Small tools @ 5% of labor cost

Materials @ cost plus 15%
Consumables @ cost plus 5%
Freight @ cost only
Subcontracts @ cost plus 15%
Supervision @ \$552/8 hour day
Office Manager @ \$331/day
Overtime @ 1/2 base rate

BWCC's work is warranted for material and workmanship for a period of one (1) year after completion of the work.

Mr. J.W. Scofield B&W Ref: RB-614/615

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December 6, 1991

For your planning purposes, BWCC's estimates of total cost to IPP for the above work scope are as follows:

Unit #1 - Spring 1992 - \$799,704 Unit #2 - Fall 1992 - \$812,820

Please be advised that these figures are estimates only, and are not to be construed as making this a firm price offer.

The above described offer is valid for acceptance up to one month prior to the referenced outages. BWCC will begin mobilization plans upon receipt of the FI's discussed above. If you have any questions or comments in the interim, feel free to contact J.T. (Jack) Tyrrell at 216-668-4574. or myself.

Very truly yours,

C.A. Palmberg Project Manager

CAP0053:nk

cc:

R.K. Krikorian - IPP, LA J.P. Musto - IPP, Delta D.C. Langley - B&W Denver